THE HONOURABLE SRI JUSTICE GODA RAGHURAM

WRIT PETTION NO.21642 OF 2006

BETWEEN:

Aradada Radha Bai wife of Late Veerabhadra Rao and another
…Petitioners

vs.

The District Collector, West Godavari District and others
..Respondents

THE HONOURABLE SRI JUSTICE GODA RAGHURAM

WRIT PETTION NO.21642 OF 2006

ORAL ORDER

The petitioners assail a notification under Sec. 4(1) of the Land Acquisition Act,1894(for short "the Act") dated.30-06-2006 issued by the 1st respondent seeking acquisition of land in an extent of Ac.6.31 cents in R.S.No.44/4B of Dharbarevu Village, Narsapur Mandal, West Godavari District. Urgency clause under Sec.17 has been invoked and enquiry under Sec.5-A of the Act has been dispensed with. The petitioners state that the Government has leased out vast properties to one Narsapur Agricultural Company Ltd., a company incorporated under the Indian Companies Act, 1913. The petitioners' ancestors are claimed to have been shareholders of the Company. The petitioners assert to have succeeded to the shares of the ancestors and to being the shareholders of the Company. Having said that the petitioners also assert that they are absolute owners of property in an extent of Ac.2.50 cents and Ac.3.81 cents respectively. The pattadar pass books are claimed to have been issued in favour of the petitioners and that having come to know of the notice under Sec.4(1) of the Act, the petitioners got issued a registered notice dated.18-07-2006 to the 2nd respondent objecting to the acquisition. Thereafter a notice proposing enquiry under Sec.5-A of the Act was issued to the Narsapur Agricultural Company Ltd., calling for objections to the proposal to acquire an extent of Ac.6.31 cents in Sy.No.44/2B, 44/4B. The petitioners assert that since they are the "*absolute owners*" they should have been given a notice.

Admittedly the lease was in favour of the Narsapur Agricultural Company Ltd., and the petitioners claim to be mere shareholders of the company. It is not asserted in the writ petition that the Narsapur Agricultural Company Ltd., has either been wound up or functionally became defunct. There is nothing pleaded in the affidavit as to why and how pattadar pass books have been issued to them. Even the uncertified Xerox copies of pattadar passbooks said to have been issued disclose that Narsapur Agricultural Company is the owner of the property. In the circumstances and since enquiry under Sec.5-A is now being conducted though after the notice to the Narsapur Agricultural Company Ltd., the petitioners who are mere shareholders of the Company cannot assert a right to be heard. It is open to the Narsapur Agricultural Company Ltd., which is not a party to the writ petition, to lodge its objections at an enquiry under Sec.5-A of the Act. It is a settled principal that a property of the Company is the property of the Company and not the property of the share holders and that shareholders have only an interest to the extents to their shares and till the jural existence of the corporate entity is intact, the shareholders cannot maintain an action in their own name in respect of the corporate assets.

For the aforesaid reasons there are no merits in the writ petition. The writ petition is dismissed. No order as to costs.

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GODA RAGHURAM,J

18th NOVEMBER 2006

***TSNR**